

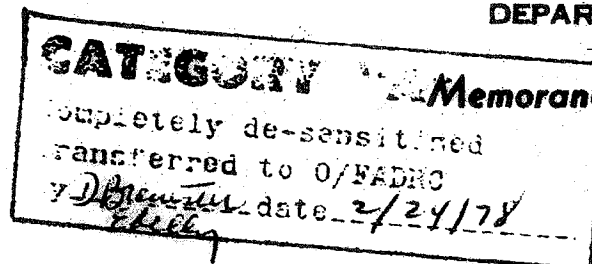
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Memorandum of Conversation

DATE: October 16, 1974

SUBJECT: Secretary Kissinger's Speech to the World Food Conference

PARTICIPANTS: Secretary Kissinger
Secretary Butz
Daniel Parker, Administrator, (AID)
Ambassador Martin, S/WF
Winston Lord, S/P
Julius L. Katz, Acting Assistant Secretary (EB)
Lloyd Jonnes, Acting Coordinator (AID/FFP)
Robert Morris, S/P
Robbie Palmer, S/P
Claude Gifford, USDA
James Placke, State/EB/OF (note taker)

Butz: (Secretary enters room.) There's our roving Ambassador. I have been seeing a lot of you on the front pages, and you can have it. But I must say, my impression is that the press coverage has been favorable.

Kissinger: Thank you Earl. You know PL 480 is one of the main things going for us in the Middle East.

Butz: My rooms are not bugged, are yours?

Kissinger: No they are not. There is no use bugging with guys like these going to the press everyday.

Butz: On PL 480, let me say that our budget is in veto status. But we are doing our best. We have \$640 million programmed and we can use the borrowing authority of CCC. Currently we have \$200 to \$250 million available, I think, in addition to the budget.

Kissinger: How much would that be in terms of quantity?

Butz: Well wheat is about \$180 per ton; I am not quite sure what that comes out to.

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We can look at it this way. USDA has around a billion dollars budgeted. That's about our middle option.

ger: Then why does the President think that he has approved the high option?

That's about \$1.3 billion.

With our borrowing authority, we can reach the middle option and that's about \$1 billion. Which means that we can postpone going to the Congress for additional money until the next year.

ger: You know Earl, in the last meeting on this subject with the President, you were the only one who knew what was going on. I had a paper that did not cover all of the possibilities and as soon as we got off any of the main points, I was lost.

In the last paper we sent to the President you may remember that we told him to reach the high commodity option would require adding additional money to the budget.

ger: Well, we are going to get it. We can use more for the Middle East, but frankly not for India. I don't care what we tell India.

On India I have told my people that we need to give you a meaningful program and we have been talking in terms of 500,000 tons. Now, yesterday I was talking to Rabot of the EC who said that the Europeans would grant India 300 thousand tons of wheat; selling an additional 700 thousand tons on credit.

This seems to be a replacement for what the Soviets would have done.

ger: Why is that?

Because their crop has not been as large as expected.

ger: I thought at times we had been talking about giving India a million and a half tons. What would that mean for the Middle East?

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Katz: We won't be giving India that much. They have bought a million tons and we are budgeting for up to 500,000 tons for PL 480.

Kissinger: Earl, what does this mean as far as you are concerned?

Butz: We are still looking at it, but I think we can use our CCC financing to get up to the middle option.

Kissinger: Well I am leaving on Tuesday and I would like to know what we are going to do for India.

Katz: The situation is now that 300 thousand tons of wheat has been approved for the first half year.

Kissinger: Can we increase that?

Katz: Only by taking it from Sri Lanka, or Pakistan, or Bangladesh.

Kissinger: I don't think we could do that.

Jonnes: We could use more rice.

Butz: We should push as much rice as possible.

Kissinger: Well I would like to know what we can do by Friday. I don't want it to look as though I am going around the world trying to buy people with food, so I don't want to make the announcement. I don't care who makes the announcement, but it shouldn't be made by me. But in the case of the Middle East it is different. There food is a very important part of our strategy.

Now, can we turn to the speech? Why can't I get what I want in this speech? I want to be able to give a speech that has a philosophy in it. What we have now is a good technical speech, but I won't be believed as an agricultural expert because I am not. This speech starts off with problems and immediately goes into solutions. Earl, you should be the one to talk about programs not me.

Lord: We have tried to take your comments into account and we changed the beginning and ending of the speech last night.

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Kissinger: I have not seen that, but you ought to know what I want from what I have been saying all of these weeks. Now Earl you may disagree, but I want to use this speech to go to the frontier of these issues and use it to break bureaucratic deadlocks. I know from what happened earlier this year in oil that when you come forward with something really new it remains fresh for only a year at most and then it becomes accepted. To hack around in well-defined areas, is just a waste of my time. We can use this speech for a number of purposes. Earl if you want to have anything on this subject decided by the President, we can use the speech to get it done.

Butz: Yes I know what you mean; for example, we got some good material into his speech last week.

Kissinger: Yes I realized that from the reaction of people when he started to talk about peanuts. When that came up I thought people would go to sleep, but instead they were enthusiastic.

Butz: Yes that is right. That was good. We were able to get something done that we have been wanting to do for sometime.

Would it be appropriate for some of my people to have a hand now in your speech? I think I know the kind of thing you want. It would be a broad philosophical statement. There is no need to get down to a lot of details in this speech.

Kissinger: That's the idea. I am giving a speech today at the Alfred Smith Dinner; I am trying to force into national awareness the need to strengthen bonds between us and the developing countries.

Butz: I am giving a speech this week which has some of these kinds of points in it. For example, I want to show how much the developing countries could do by improving their yields and how we could help them do it. Is this in the speech now?

Lord: Part of it is.

Kissinger: I have no problem with the technical part. What I want to do is convince the political leadership of these

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countries that we mean it when we call for cooperation. The statements the President and I have made recently are beginning to have that kind of effect in the Middle East. I think we are going to succeed with getting the oil producers to cooperate on prices.

Butz: I would like to take a copy of the speech and give it to one of my speech writers, and see what he can do with it.

Kissinger: Well, can we go through it first, section by section? Are any of these ideas new?

Butz: Well, we will have to move quickly because I must leave soon.

Kissinger: Let's take another ten minutes to go through it.

Katz: I would like to begin by stating the premises in this speech. They are that we can increase production to make more available to the world and particularly the LDCs. We must do as much as possible, but this will meet only part of the problem. The LDCs, too, must greatly increase their production. The problem has two main aspects -- production and food security.

Kissinger: That I understand, but I want to avoid the protestant missionary approach. I don't want to preach at the conference. I want to tell the LDCs what we producers will do and then tell the LDCs what they must do.

Morris: That is what the speech does now.

Kissinger: OK. I have not read all of it carefully. When I got to the first part, I just threw up my hands. What I want you to do now is go through it again putting in concrete things that we can do, just as we did last year on oil when we took that mass of material and made it into a program. We need to have some benchmarks so that people will know what needs to be done.

Now what about using SDR financing? Whose approval do we need?

Katz: There is a hang-up about using SDRs for aid. Treasury will have some objections.

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Kissinger: OK, how do we get it done? When is Simon coming back? Remember I have only four more days.

Katz: Simon will be back tomorrow, and Enders thinks that you should talk to him.

Kissinger: I don't think Enders has ever had such a good spokesman as me before. What do you think (Jonnes)?

Jonnes: I think it is essential that we go ahead.

Kissinger: I want to be sure that this is an adequate program, and not just something that is bureaucratically safe.

Butz: Can we have a draft? I would like to have some of my people go over it.

Kissinger: Let me go over it again first. Who would you give it to?

Butz: Claude Gifford. We will need to take a look at it.

Kissinger: OK.

Butz: I am going to be giving some interesting figures in a speech later this week, showing that LDCs grain yields are lagging and that this is where we can help.

Kissinger: That is the kind of thing I want. I don't want to give a bureaucratic speech. Win, can you get in touch with Gifford today and give me a new speech tomorrow? I will be able to devote tomorrow night to looking at it. I know that in the end you are going to give me what I want; why don't you just do it now?

Lord: We will get you a new speech by tomorrow evening.

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